



## CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Public Benefits Program – Demand-side Management Project - Residential Heating, Ventilation & Air Conditioning (HVAC) Rebate (\$150,000)

**MEETING DATE:** July 7, 1999

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** That the City Council approve the Residential HVAC Rebate Project, a demand-side management component of the City of Lodi Public Benefits Program up to \$150,000.

**BACKGROUND INFORMATION:** This project is the third in a series of projects specifically designed for Lodi residential electric customers. The Residential HVAC Retrofit Rebate Project will provide a rebate of \$100 per ton (not to exceed \$600 per home) when a customer chooses to replace an existing heating and air conditioning unit with a new, energy efficient heating & air conditioning unit. The rebate is also good on those existing residential units which have *no* existing HVAC system, and the customer opts to install a new, energy efficient HVAC system. (\* Note: 1-ton will condition approximately 400 square feet of space; a typical 1,600 square foot, single-story home, will utilize a 3-5 ton HVAC unit; thus, the customer would be eligible for a rebate of \$300 to \$500).

Other specifics or guidelines of the project include:

- the HVAC must have a 13 SEER (Seasonal Energy Efficient Ratio) rating or better;
- the rebate is only for City of Lodi Electric Utility customers;
- rebates are available from August 1, 1999 to October 31, 1999 (rebate may end sooner if funds are exhausted);
- rebates are good for single-family dwellings only (one per customer service address);
- rebates are deducted from the cost of the system by the vendor at the time of purchase (the City of Lodi Electric Utility then reimburses the participating vendors).

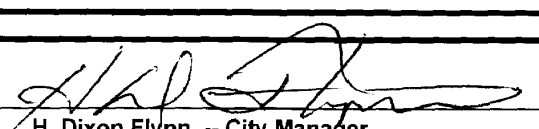
By installing or retrofitting an energy efficient HVAC system in their home, a residential customer can reduce their annual heating and cooling costs from 10 to 15 percent. In addition, the customer will also reduce repair and maintenance costs by retrofitting their home with a new, more efficient HVAC system.

To date, the City of Lodi Electric Utility has established two other energy efficiency projects for residential customers:

- the Lodi Energy Survey Program- designed to assist the customer in assessing their home energy usage, and ways to reduce energy consumption; and
- the Lodi Residential Energy Efficient Refrigerator Rebate Program- offering residential customers a \$100 rebate for purchasing a new, energy efficient refrigerator.

These projects, as well as those designed for commercial and industrial customers of Lodi, are all part of the City of Lodi's Public Benefits Program. This state-mandated effort has four main components, including: renewables, research, design & development, assistance for low-income customers, and demand-side management (more

APPROVED: \_\_\_\_\_

  
H. Dixon Flynn -- City Manager



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commonly referred to as energy conservation or energy efficiency, which the Lodi Residential HVAC Rebate Project is appropriately categorized).

The City of Lodi Electric Utility respectfully recommends approval of this funding request as a qualifying component of the City of Lodi's Public Benefits Program.

**FUNDING:** 164604 – Public Benefits Program Fund  
Category: Demand-side Management

**FUNDING APPROVAL:** Vicky McAthie  
Vicky McAthie, Finance Director

A handwritten signature in cursive script, reading "Alan N. Vallow".

Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Sondra Huff, Electric Utility Management Administrator  
Rob Lechner, Manager, Customer Programs

ANV/SH/RL/lst

C: City Attorney

**APPROVED:** \_\_\_\_\_  
H. Dixon Flynn -- City Manager

RESOLUTION NO. 99-99

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS  
PROGRAM GRANT TO FUND PROJECTS SPECIFICALLY  
DESIGNED FOR THE RESIDENTIAL ELECTRIC CUSTOMER

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WHEREAS, the State has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

... WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, this project is the third in a series of projects specifically designed for Lodi residential electric customers. The Residential HVAC Retrofit Rebate Project will provide a rebate of \$100 per ton (not to exceed \$600 per home) when a customer chooses to replace an existing heating and air conditioning unit with a new, energy efficient heating & air conditioning unit. The rebate is also good on those existing residential units which have *no* existing HVAC system, and the customer opts to install a new, energy efficient HVAC system. (\* Note: 1-ton will condition approximately 400 square feet of space; a typical 1,600 square foot, single-story home, will utilize a 3-5 ton HVAC unit; thus, the customer would be eligible for a rebate of \$300 to \$500); and

WHEREAS, other specifics or guidelines of the project include:

- the HVAC must have a 13 SEER (Seasonal Energy Efficient Ratio) rating or better;
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WHEREAS, by installing or retrofitting an energy efficient HVAC system in their home, a residential customer can reduce their annual heating and cooling costs from 10 to 15 percent. In addition, the customer will also reduce repair and maintenance costs by retrofitting their home with a new, more efficient HVAC system; and

WHEREAS, to date, the City of Lodi Electric Utility has established two other energy efficiency projects for residential customers:

- The Lodi Energy Survey Program – designed to assist the customer in assessing their home energy usage, and ways to reduce energy consumption; and
- The Lodi Residential Energy Efficient Refrigerator Rebate Program – offering residential customers a \$100 rebate for purchasing a new, energy efficient refrigerator.

BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program grant in the amount of \$150,000 to fund the Residential HVAC Rebate Project, specifically designed for Lodi residential electric customers.

Dated: July 7, 1999

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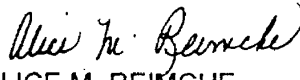
I hereby certify that Resolution No. 99-99 was passed and adopted by the Lodi City Council in a regular meeting held July 7, 1999 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Mann, Nakanishi, Pennino and Land  
(Mayor)

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
ALICE M. REIMCHE  
City Clerk